

10 August 1954

MEMORANDUM FOR THE RECORD

Subject: Statement of Pending IAG Problems - No. 1

To: Chairman, IAG

The following is the first in a series of statements on pending IAG problems to be prepared on Monday of each week and furnished to the Chairman, IAG. This serial publication will serve as a "tickler" on which coming agenda can be planned and as a method of regular communication between the Executive Secretary (in Central Building) and the Chairman.

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Pending IAG Problems - Week of 9 - 13 August

25X1A9a 1. Administrative: The IAG Secretariat is now located in Room 200, Central Building, Extension 2635. It consists of the Executive Secretary and a part-time clerk typist, [REDACTED] (GS-5). [REDACTED] is also responsible for maintaining all D/E files of COCOM, CHINCOM, US and related EXCON material, of servicing Agency requests for information on the US and international export control program, and of making distribution of such material. She can, therefore, spend only part time on IAG matters.

25X1B 2. MDAC Requirements for [REDACTED] IAG recently reviewed the background of this MDAC requirement and was informed by ONI at the meeting of 5 August that provision had been made in ONI for assembly and publication of the type of information desired. Three persons had been assigned this task in ONI. This would appear to close this problem except for the fact that E/ST is presently performing a closely related function, namely, [REDACTED]

25X1B [REDACTED] I intend to explore this further in D/E and report my findings and recommendations to you. Further action by IAG should be held in abeyance pending such reconnaissance.

3. Processing of Commodity Papers Used in List Review: IAG considered this problem at its last two meetings. I was instructed to circulate a list to be furnished by Mr. Reiss, Commerce, of the JOC document numbers applying to those commodity items on which quotas are to be established beginning in September in COCOM. Analysts in the member agencies are to add to this list any material which they believe relevant, and to submit informally to JOC any new or corrective intelligence. This list of documents has not yet been received from Mr. Reiss but I will try to obtain it. On the long-range aspect of this problem, all commodity contributions made to JOC are to eventually be reviewed as to adequacy

of intelligence. Following this assessment, it is anticipated that, depending upon the capabilities of member agencies, there are to be re-writes of such material to serve as a "known universe" from which additional intelligence analyses can proceed.

4. Tracing Movement of Decontrolled Commodities: An IWC Subgroup on this subject has been established with the following membership: CIA - [REDACTED]; MDAC - Messrs. [REDACTED] and Tilson; State/OIR - Miss Worthing and Miss Hanes; Commerce - Messrs. Reiss and Bashkin; State/EDS - Mr. Skavang and Miss Sawyer. Mr. Taft, MC/State, will serve when appropriate. The Subgroup is to select its own Chairman. Its mission is to: (a) prepare a list of decontrolled items; (b) indicate those items the movements of which should be traced; (c) determine the most feasible method of tracing such movements, and (d) survey the capabilities of member agencies for purposes of the project.

5. External Financial Operations of the Soviet Bloc: IWC/R-16 on this subject was furnished to the Executive Committee and to the SIC Subcommittee on International Trade and Finance on 11 March 1954. The MDAC member on IWC has been asked to ascertain the reaction of the Executive Committee to this report.

6. Intelligence for COCOM Enforcement Program: This problem was considered at the IWC meeting of 22 July. It was agreed that the Chairman would prepare a statement for the Executive Committee as to the intelligence problems involved in a release of such information. In addition, the MDAC member is to obtain a clarification of instructions to IWC found in ED/EC M-90.

7. Preparation of Second Annual Report: A draft of this report has been prepared for your consideration. Upon approval in CIA, it will be reproduced and circulated in IWC for comment and approval. [REDACTED] (CIA) will be requested to reproduce the intelligence support chart.

8. Program for Study of Soviet Trade Tactics: MDAC proposed to table several papers in the fall session of COCOM on this subject, although other members of COCOM were cool to the earlier U.S. submissions. At the 5 August meeting, Miss Lincoln requested that the Chairman designate a person in CIA to assist in the preparation of a re-draft of an earlier IWC paper on Soviet petroleum offers and a related paper prepared in OIR. A member of I/P [REDACTED] has been advised informally of this request. Miss Worthing, OIR, has offered to assist in this re-drafting. In addition, Miss Lincoln has requested CIA assistance in the preparation of a paper on trade fairs, also to be submitted to COCOM. It is understood that a paper on this subject has been prepared in OCI. With respect to Soviet trade tactics generally, an IM prepared in S/TF is now in reproduction and should be circulated to IWC and the Executive Committee when completed.

9. Evaluation of [REDACTED] Report: Several members of IWC expressed the opinion that an evaluation of this report should be made by IWC. This was deferred pending the completion of the CIA evaluation, which has not been completed. It might be advisable to circulate this for information.

10. Cases Pending as of 30 June 1954:

Case 7 - Collection Requirements on East-West Trade - An underlying cause for inadequate intelligence to serve EDAC needs continues to be the low priority assigned to collection of this type of intelligence by covert collectors. An IM Subgroup under chairmanship of Mr. Beresford, established on 10 July 1952 and reconstituted on 6 February 1953, has made only preliminary study of the problem. Re-consideration by IMG of the entire problem is probably in order, either to dissolve the Subgroup or to recommend specific corrective measures.

Case 36 - Intelligence Data for US Delegate to CHINCOM

This case was opened on 16 December 1952 at the request of the Far Eastern Economic Defense Working Group (FEEDWG). Although the case was referred to in the last IM Case Status Report as inactive, EDAC has requested that it remain open. Recently, intelligence support was furnished FEEDWG on the subject of differential controls directly from CIA. This case should be reviewed and cancelled if of no further value.

Case 56 - Proposed Study of Soviet Trade Activities and Tactics in Non-COCCOM Areas

Intelligence on this subject is being handled under (8), above.

Case 62 - Intelligence Support for U.S. Delegation to Eighth General Assembly of the UN, and Other Inter. Forums

This case has been assigned to persons providing support for the Operations Coordinating Board in St. te. A draft was to have been submitted for IMG consideration, but is probably now outdated. It would be appropriate to cancel this case.

11. Revision of IMG Terms of Reference - It is believed that experience over the past two years of IMG operation has revealed certain inconsistencies and deficiencies in the IMG Terms of Reference. It is suggested, therefore, that a re-draft of these is in order.

12. Intelligence for Economic Warfare Planning: EDAC documents indicate that an outline of requirements for economic warfare is required for EDAC and NSC Planning Board consideration. It might be appropriate for IMG to determine what steps have been taken to incorporate intelligence support considerations into any such plan.

13. Economic Defense Indoctrination: Surveys have revealed a lack of knowledge on the part of covert collectors as to the needs of the economic defense program. It is suggested that the IMG inquire into the adequacy of indoctrination provided covert collectors in the course of training in this Agency, and possibly in other intelligence agencies.

14. Membership List - A new membership list for IMG is required in view of recent changes. Would it be in order to indicate you as Chairman on such a revision?